

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 556 be amended to read as follows:

- 1 Page 22, between lines 31 and 32, begin a new paragraph and insert:
2 "SECTION 16. IC 6-3.5-7-1.3 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JULY 1, 2003]: **Sec. 1.3. As used in this chapter, "base
5 tax rate" means the maximum tax rate that may be imposed under
6 this chapter without the application of section 27 of this chapter.**
7 SECTION 17. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss),
8 SECTION 121, IS AMENDED TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2003]: Sec. 5. (a) Except as provided in
10 subsection (c), the county economic development income tax may be
11 imposed on the adjusted gross income of county taxpayers. The entity
12 that may impose the tax is:
13 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
14 the county option income tax is in effect on January 1 of the year
15 the county economic development income tax is imposed;
16 (2) the county council if the county adjusted gross income tax is
17 in effect on January 1 of the year the county economic
18 development tax is imposed; or
19 (3) the county income tax council or the county council,
20 whichever acts first, for a county not covered by subdivision (1)
21 or (2).
22 To impose the county economic development income tax, a county
23 income tax council shall use the procedures set forth in IC 6-3.5-6
24 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), and (p), the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), or (p), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g) or (p), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after January 1 but before April 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect July 1 of this year."

(e) Any ordinance adopted under this chapter takes effect July 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
 - (A) fifteen-hundredths percent (0.15%);
 - (B) two-tenths percent (0.2%); or
 - (C) twenty-five hundredths percent (0.25%); and
- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);

1 if the county income tax council makes a determination to impose rates
2 under this subsection and section 22 of this chapter.

3 (h) For a county having a population of more than forty-one
4 thousand (41,000) but less than forty-three thousand (43,000), except
5 as provided in subsection (p), the county economic development
6 income tax rate plus the county adjusted gross income tax rate that are
7 in effect on January 1 of a year may not exceed one and thirty-five
8 hundredths percent (1.35%) if the county has imposed the county
9 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
10 under IC 6-3.5-1.1-2.5.

11 (i) For a county having a population of more than thirteen thousand
12 five hundred (13,500) but less than fourteen thousand (14,000), except
13 as provided in subsection (p), the county economic development
14 income tax rate plus the county adjusted gross income tax rate that are
15 in effect on January 1 of a year may not exceed one and fifty-five
16 hundredths percent (1.55%).

17 (j) For a county having a population of more than seventy-one
18 thousand (71,000) but less than seventy-one thousand four hundred
19 (71,400), except as provided in subsection (p), the county economic
20 development income tax rate plus the county adjusted gross income tax
21 rate that are in effect on January 1 of a year may not exceed one and
22 five-tenths percent (1.5%).

23 (k) This subsection applies to a county having a population of more
24 than twenty-seven thousand four hundred (27,400) but less than
25 twenty-seven thousand five hundred (27,500). Except as provided in
26 subsection (p), in addition to the rates permitted under subsection (b):

27 (1) the county economic development income tax may be imposed
28 at a rate of twenty-five hundredths percent (0.25%); and

29 (2) the sum of the county economic development income tax rate
30 and the county adjusted gross income tax rate that are in effect on
31 January 1 of a year may not exceed one and five-tenths percent
32 (1.5%);

33 if the county council makes a determination to impose rates under this
34 subsection and section 22.5 of this chapter.

35 (l) For a county having a population of more than twenty-nine
36 thousand (29,000) but less than thirty thousand (30,000), except as
37 provided in subsection (p), the county economic development income
38 tax rate plus the county adjusted gross income tax rate that are in effect
39 on January 1 of a year may not exceed one and five-tenths percent
40 (1.5%).

41 (m) For:

42 (1) a county having a population of more than one hundred
43 eighty-two thousand seven hundred ninety (182,790) but less than
44 two hundred thousand (200,000); or

45 (2) a county having a population of more than forty-five thousand
46 (45,000) but less than forty-five thousand nine hundred (45,900);

except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the **exemption under IC 6-1.1-10-29 and the** deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42. **An adopting entity may impose less than the maximum tax rate allowed under this subsection.**

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum

rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(r) In addition, if the county has imposed its maximum base tax rate, including one hundred percent (100%) of the tax that may be imposed under section 25 or 26 of this chapter:

- (1) the county economic development income tax may be imposed at or increased to a supplemental tax rate that is not more than the rate necessary to mitigate any remaining increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the exemptions and deductions of the assessed value of inventory in the county under IC 6-1.1-10-29, IC 6-1.1-12-41, and IC 6-1.1-12-42; and**
- (2) the:**

- (A) county economic development income tax; and**

- (B) county option income tax or county adjusted gross income tax;**

may be imposed at combined rates that exceed the maximum combined rates that would otherwise apply under this section by the amount determined under subdivision (1).

However, an adopting entity may impose less than the maximum supplemental tax rate allowed under this subsection.

SECTION 18. IC 6-3.5-7-13.1, AS AMENDED BY P.L.192-2002(ss), SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13.1. (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, and 26 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, 25, ~~and 26~~, **and 27** of this chapter, revenues from the county economic development income tax may be used as follows:

- (1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to

the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) For additional homestead credits to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the exemption under IC 6-1.1-10-29 and the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42. The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(A) as if the money were from property tax collections; and

(B) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

- 1 (A) the acquisition of land;
- 2 (B) interests in land;
- 3 (C) site improvements;
- 4 (D) infrastructure improvements;
- 5 (E) buildings;
- 6 (F) structures;
- 7 (G) rehabilitation, renovation, and enlargement of buildings
- 8 and structures;
- 9 (H) machinery;
- 10 (I) equipment;
- 11 (J) furnishings;
- 12 (K) facilities;
- 13 (L) administrative expenses associated with such a project,
- 14 including contract payments authorized under subsection
- 15 (b)(2)(D);
- 16 (M) operating expenses authorized under subsection (b)(2)(E);
- 17 or
- 18 (N) to the extent not otherwise allowed under this chapter,
- 19 substance removal or remedial action in a designated unit;
- 20 or any combination of these.

21 SECTION 19. IC 6-3.5-7-25, AS ADDED BY P.L.192-2002(ss),
 22 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2003]: Sec. 25. (a) This section applies only to
 24 a county that has adopted an ordinance under IC 6-1.1-12-41(f).

25 (b) For purposes of this section, "imposing entity" means the entity
 26 that adopted the ordinance under IC 6-1.1-12-41(f).

27 (c) The imposing entity may adopt an ordinance to provide for the
 28 use of the certified distribution described in section 16(c) of this
 29 chapter for the purpose provided in subsection (e). A county income
 30 tax council that adopts an ordinance under this subsection shall use the
 31 procedures set forth in IC 6-3.5-6 concerning the adoption of an
 32 ordinance for the imposition of the county option income tax. An
 33 ordinance must be adopted under this subsection after January 1 but
 34 before April 1 of a calendar year. The ordinance may provide for an
 35 additional rate under section 5(p) of this chapter. An ordinance adopted
 36 under this subsection:

- 37 (1) first applies to the certified distribution described in section
- 38 16(c) of this chapter made in the calendar year that immediately
- 39 succeeds the calendar year in which the ordinance is adopted;
- 40 (2) must specify the calendar years to which the ordinance
- 41 applies; and
- 42 (3) must specify that the certified distribution must be used for the
- 43 purpose provided in subsection (e).

44 An ordinance adopted under this subsection may be combined with an
 45 ordinance adopted under section 26 of this chapter.

- 46 (d) If an ordinance is adopted under subsection (c), the percentage

of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (g); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the imposing entity shall use the certified distribution described in section 16(c) of this chapter to increase the percentage of the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset **part or all of the effect (as specified in the ordinance)** on homesteads in the county resulting from **the statewide inventory exemption under IC 6-1.1-10-29 and** a county deduction for inventory under IC 6-1.1-12-41. The county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and
- (3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(f) The increased percentage of homestead credit determined by the county auditor under subsection (e) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(g) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

- (1) as if the money were from property tax collections; and
- (2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

If the tax revenue raised under this section in any year exceeds the amount actually necessary to mitigate increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the exemptions and deductions of the assessed value of inventory in the county under IC 6-1.1-10-29 and IC 6-1.1-12-41, the revenue raised under this section and any interest earned on that revenue must be held in trust and used in future years only to provide the homestead property tax relief allowed under this section in future years or to reduce the rate of the tax imposed under this section.

SECTION 20. IC 6-3.5-7-26, AS AMENDED BY P.L.1-2003, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 26. (a) This section applies only to homestead credits for property taxes first due and payable after calendar year 2006.

(b) For purposes of this section, "adopting entity" means:

- (1) the entity that adopts an ordinance under IC 6-1.1-12-41(f); or
- (2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(p) of this chapter. An ordinance adopted under this subsection:

- (1) first applies to the certified distribution described in section 16(c) of this chapter made in the later of the calendar year that immediately succeeds the calendar year in which the ordinance is adopted or calendar year 2007; and
- (2) must specify that the certified distribution must be used for the purpose provided in subsection (e).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

- (1) retained by the county auditor under subsection (g); and
- (2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the percentage of the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset **part or all of the effect (as specified in the ordinance)** on homesteads in the county resulting from the statewide **inventory exemption under IC 6-1.1-10-29 and the statewide** deduction for inventory under IC 6-1.1-12-42. The county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

- (1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;
- (2) the amount of uniformly applied homestead credits for the

year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(f) The increased percentage of homestead credit determined by the county auditor under subsection (e) applies uniformly in the county in the calendar year for which the increased percentage is determined.

(g) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

If the tax revenue raised under this section in any year exceeds the amount actually necessary to mitigate increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the exemptions and deductions of the assessed value of inventory in the county under IC 6-1.1-10-29 and IC 6-1.1-12-42, the revenue raised under this section and any interest earned on that revenue must be held in trust and used in future years only to provide the homestead property tax relief allowed under this section in future years or to reduce the rate of the tax imposed under this section.

SECTION 21. IC 6-3.5-7-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 27. (a) This section applies in a county if:**

(1) the county has imposed the maximum allowable base tax rate, including one hundred percent (100%) of the allowable tax increment under section 25 or 26 of this chapter; and

(2) additional revenue is necessary to offset a remaining part of the effect on homesteads in the county resulting from inventory exemptions and deductions available under the following:

(A) The statewide exemption under IC 6-1.1-10-29.

(B) An ordinance adopted under IC 6-1.1-12-41.

(C) The statewide deduction under IC 6-1.1-12-42.

(b) For purposes of this section, "adopting entity" means:

(1) an entity that adopts an ordinance under IC 6-1.1-12-41(f); or

(2) any other entity that may impose a county economic development income tax under section 5 of this chapter.

(c) An adopting entity may adopt an ordinance to provide for the use of the certified distribution described in section 16(c) of this

chapter for the purpose provided in subsection (e). An adopting entity that adopts an ordinance under this subsection shall use the procedures set forth in IC 6-3.5-6 concerning the adoption of an ordinance for the imposition of the county option income tax. An ordinance must be adopted under this subsection after January 1 but before April 1 of a calendar year. The ordinance may provide for an additional rate under section 5(r) of this chapter. The ordinance may set an additional rate that is less than the maximum allowable additional rate under section 5(r) of this chapter. An ordinance adopted under this subsection:

(1) first applies to the certified distribution described in section 16(c) of this chapter made in the calendar year that immediately succeeds the calendar year in which the ordinance is adopted; and

(2) must specify that the certified distribution must be used only for the purpose provided in subsection (e).

An ordinance adopted under this subsection may be combined with an ordinance adopted under section 25 or 26 of this chapter.

(d) If an ordinance is adopted under subsection (c), the percentage of the certified distribution specified in the ordinance for use for the purpose provided in subsection (e) shall be:

(1) retained by the county auditor under subsection (g); and

(2) used for the purpose provided in subsection (e) instead of the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(e) If an ordinance is adopted under subsection (c), the adopting entity shall use the certified distribution described in section 16(c) of this chapter to increase the percentage of the homestead credit allowed in the county under IC 6-1.1-20.9 for a year to offset part or all (as specified in the ordinance) of the effect on the tax liability of homesteads in the county that results from the exemptions and credits described in subsection (a) and remains after applying to homestead credit tax relief one hundred percent (100%) of the maximum base tax rate that may be imposed under section 25 or 26 of this chapter. The county auditor, for each calendar year in which an increased homestead credit percentage is authorized under this section, shall determine:

(1) the amount of the certified distribution that is available to provide an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(f) The increased percentage of homestead credit determined by

1 the county auditor under subsection (e) applies uniformly in the
 2 county in the calendar year for which the increased percentage is
 3 determined.

4 (g) The county auditor shall retain from the payments of the
 5 county's certified distribution an amount equal to the revenue lost,
 6 if any, due to the increase of the homestead credit within the
 7 county granted under this section. The money shall be distributed
 8 to the civil taxing units and school corporations of the county:

9 (1) as if the money were from property tax collections; and

10 (2) in such a manner that no civil taxing unit or school
 11 corporation will suffer a net revenue loss because of the
 12 allowance of an increased homestead credit.

13 If the tax revenue raised under this section in any year exceeds the
 14 amount actually necessary to mitigate increased ad valorem
 15 property taxes on homesteads (as defined in IC 6-1.1-20.9-1)
 16 resulting from the exemptions and deductions of the assessed value
 17 of inventory in the county under IC 6-1.1-10-29, IC 6-1.1-12-41,
 18 and IC 6-1.1-12-42, the revenue raised under this section and any
 19 interest earned on that revenue must be held in trust and used in
 20 future years only to provide the homestead property tax relief
 21 allowed under this section in future years or to reduce the rate of
 22 the tax imposed under this section.

23 (h) This subsection applies to any individual who:

24 (1) resides in a county to which this section applies on the date
 25 specified in section 17 of this chapter; or

26 (2) maintains a principal place of business or employment in
 27 a county to which this section applies on the date specified in
 28 section 17 of this chapter and who on that same date resides
 29 in another county in which the county adjusted gross income
 30 tax, the county option income tax, or the county economic
 31 development income tax is in effect;

32 if an ordinance is adopted under this section. The tax rate for the
 33 county where the individual resides is increased for the individual
 34 by the amount of the tax rate imposed under this section in the
 35 county where the individual's principal place of employment is
 36 located. The tax increase only applies to the adjusted gross income
 37 accruing to the individual from the county where the individual's
 38 principal place of employment is located. If the county where the
 39 individual resides has imposed an economic development income
 40 tax, that tax is the tax increased. The maximum tax rate applicable
 41 to the county where the individual resides is not applicable to the
 42 tax rate imposed on the individual under this section. The amount
 43 of revenue raised by the increase shall be included in the certified
 44 distribution to the county where the individual's principal place of
 45 employment is located and shall be distributed by the department
 46 to that county. The revenue may be used only for the purposes of
 47 this section."

- 1 Renumber all SECTIONS consecutively.
 (Reference is to ESB 556 as printed April 1, 2003.)

Representative Buck